

**SIDE LETTER OF AGREEMENT FOR RETIREE MEDICAL TRUST  
PARTICIPATION FOR LOCAL 2180 MEMBERS**

All employees covered by this Agreement shall participate in a retiree medical expense reimbursement plan administered by the PORAC Retiree Medical Trust (RMT). This Plan is designed to permit organizations representing employees to designate on a pre-tax basis salary and/ or leave payouts which occur upon termination of employment to be used to help pay for health insurance costs when the employee is no longer working for the City. The trust shall be and remain separate and apart from any Employer health insurance funding program.

Prior to July 1, 2009, a Retirement Medical Trust ("RMT") will be established in the same format the City has agreed to utilize in its Side Letter with the Chula Vista police Officers' Association ("POA"). Commencing June 19, 2009, IAFF employees will contribute \$100 per month into the RMT by automatic deduction from their salary to be remitted monthly [in one aggregate check], to the plan administrator. There shall be no City contributions to the RMT until January 2011. Commencing January 2011, the City will contribute \$100 per employee represented by IAFF per month into the RMT. These contributions by the City to the RMT will cease at the end of the contract, June 30, 2013. Thereafter, employee will contribute \$100 per month into the RMT by automatic deduction to be remitted to the plan administrator. There will be no City contribution to the RMT after June 30, 2013. An employee can use vacation pay due upon separation for contributions to the RMT. The City will pay one-time administrative start up costs to establish the RMT, up to a cap of \$2500.

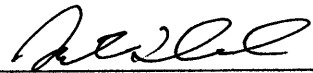
Upon retirement of an employee covered by this Agreement, the employer shall transfer into the PORAC RMT, an amount equal to 100% of the cash value of the employee's vacation and compensation time leave balance for which they would receive payment. The employer shall contribute the monies on a pre-tax basis. There shall be no employee election to take the amount in cash.

Local 2180 members have the right to alter the amount of salary deduction or the percentage of leave balance contribution at separation from service during the course of this Agreement, on a uniform basis, for all employees covered by the Agreement, subject to approval of its members according to the Local's internal rules.

The City of Chula Vista hereby acknowledges receipt of the Trust Agreement governing the Trust and will comply with rules set by the Trust Office in regard to reporting and depositing the required contributions set forth above.

Exceptions:

This provision shall not apply to an employee that has lifetime retiree medical coverage based on US military service.



Scott Tulloch  
Assistant city Manager  
City of Chula Vista



Steve Miller  
President  
Local 2180